

Message Text

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PAGE 01 ROME 05886 01 OF 02 082143Z
ACTION ITC-01

INFO OCT-01 EUR-12 ISO-00 EB-08 /022 W
-----082157Z 000908 /70

R 081700Z APR 77
FM AMEMBASSY ROME
TO SECSTATE WASHDC 3914

LIMITED OFFICIAL USE SECTION 1 OF 2 ROME 5886

E.O. 11652: N/A
TAGS: ETRD, EIND, IT
SUBJECT: USITC REQUEST FOR INFORMATION ON GOVERNMENT-OWNED
FIRMS IN MARKET ECONOMY COUNTRIES

REF: STATE A-1249 OF MARCH 14 1977

1. EMBASSY BELIEVES BULK OF INFORMATION CALLED FOR UNDER TOPICS A THROUGH J (A) OF REPAIR ALREADY HAS BEEN SENT TO WASHINGTON UNDER CERP PUBLICATION PROGRAM. TWO OF THE MORE VALUABLE OF THESE PUBLICATIONS, THE IRI (MAJOR INDUSTRIAL STATE HOLDING COMPANY) AND ENI (MAJOR STATE HOLDING COMPANY IN ENERGY SECTOR) ANNUAL REPORTS WERE SENT DIRECTLY TO CARL SPELLMAN OF USITC IN JANUARY. THESE TWO HOLDING COMPANIES CONTROL A VERY LARGE NUMBER OF CORPORATIONS THAT ACCOUNT FOR ABOUT 90 PERCENT OF THE SALES OF THE SOME 550 STATE OWNED OR CONTROLLED CORPORATIONS.

2. TO ASSIST USITC RESEARCHERS, THERE FOLLOWS A LIST OF THE CERP PUBLICATIONS (REGULARLY SENT TO WASHINGTON AGENCIES) THAT THE EMBASSY BELIEVES WOULD BE MOST USEFUL FOR THE USITC STUDY. (CERP PUBLICATIONS NUMBER PRECEEDS TITLE).

(001) ALITALIA LINEE AEREE ITALIANE, RELAZIONI E BILANCIO
(0040) ANNUARIO D STATISTICHE INDUSTRIALI
(008) ANNUARIO STATISTICO ITALIANO - ISTAT
(014) ASSOCIAZIONE ITALIANA SOCIETA CONCESSIONARIE AUTOSTRADE

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(022) ASSOCIAZIONE NAZIONALE INDUSTRIA AUTOMOBILISTICA
(026) BOLLETTINO DELLA PRODUZIONE MENSILE DI ENERGIA ELETTRICA
(030) ANNUARIO DI CONTABILITA' NAZIONALE
(032) COMITATO NAZIONALE PER L'ENERGIA NUCLEARE
(035) ISTITUTO NAZIONALE PER LO STUDIO DELLA CONGIUNTURA ITALIANA
(037) ENI - ENTE NAZIONALE ENERGIA E IDROCARBURI
(038) ENEL - ENTE NAZIONALE PER L' ENERGIA ELETTRICA

(039) ENTE NAZIONALE IDROCARBURI - RELAZIONE E BILANCIO
(040) F.S. - FERROVIE DELLO STATO - RELAZIONE E BILANCIO
(042) FINSIDER S.P.A. - RELAZIONE E BILANCIO
(043) CENSIMENTO GENERALE DELL' INDUSTRIA E DEL COMMERCIO
(045) MINISTERO DELL' INDUSTRIA - L' INDUSTRIA DEL PETROLIO
IN ITALIA
(047) IRI - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE ESERCIZIO
(050) ITALSIDER S.P.A. - RELAZIONE DELL'ASSEMBLEA ORDINARIA
E STRAORDINARIA
(051) I CONTI ECONOMICI NAZIONALI DELL'ITALIA
(053) AMMI S.P.A. - METALLI NON FERROSI E FERROLEGHE
(068) ISTAT - NOTIZIARIO (FOGLIO 18) - ARGOMENTI VARI
(073) RAI - RADIO TELEVISIONE ITALIANA - RELAZIONE E BILANCIO
(074) MINISTERO DELLE PARTECIPAZIONI STATALI E CARTA DEL
CONSOLIDATO DELLO STATO - RELAZIONE PROGRAMMATICA
(077) RELAZIONE DELL'AMMINISTRAZIONE DELLE POSTE E TELECOMUNICAZIONI
(078) RELAZIONE GENERALE SULLA SITUAZIONE ECONOMICA DEL PAESE
(080) SIP - SOCIETA' ITALIANA PER L'ESERCIZIO TELEFONICO
(085) STATISTICA DELLA PRODUZIONE DI ENERGIA ELETTRICA IN ITALIA
(091) SUCCESSO - ECONOMIC MONTHLY MAGAZINE
(094) BANCO DI ROMA - REVIEW OF THE ECONOMIC CONDITIONS IN ITALY
(095) EGAM - RELAZIONE E BILANCIO

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ACTION ITC-01

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3. ADDITIONAL INFORMATION ON THE SALES, CREDIT AND FINANCIAL
SITUATION, NUMBER OF EMPLOYEES, ETC. ARE AVAILABLE FOR ABOUT 400
OF THE STATE OWNED OR CONTROLLED CORPORATIONS IN THE FORM OF
WORLD TRADERS DATA REPORTS OBTAINABLE FROM THE EXPORT INFORMATION
DIVISION OF THE BUREAU OF INTERNATIONAL COMMERCE, USDOC.

4. FAIRLY COMPREHENSIVE AIRGRAMS ON ITALIAN STATE ENTERPRISES
SECTOR ARE ROME A-176 OF MARCH 19, 1969 "THE SIZE OF THE PUBLIC

SECTOR AND ENTERPRISES" AND A-238 OF APRIL 1, 1970 "ITALIAN GOVERNMENT'S PARTICIPATION IN THE ECONOMY", AND ROME A-139 OF MARCH 1, 1974. IF THESE AIRGRAMS ARE NOT AVAILABLE IN WASHINGTON, EMBASSY WILL RETRANSMIT.

5. WE ARE SENDING ADDITIONAL PRINTED MATERIAL BY AIRGRAM.

6. INFORMATION ON TOPICS J (B) THROUGH (I) MAY BE MOST READILY AVAILABLE IN THE ANTI-DUMPING, COUNTERVAILING DUTY AND SUBSIDY FILES OF THE STATE DEPARTMENT AND OTHER WASHINGTON AGENCIES. SOME OF THIS INFORMATION MAY ALSO BE INDICATED, AT LEAST IN A GENERAL WAY, IN THE MORE GENERAL REPORTS CITED IN PRECEDING PARAS. WE SUGGEST THAT RECENT COMPLAINT OF UNFAIR COMPETITION BROUGHT BY ARMCO AGAINST TERNI (AN IRI/FINSIDER SUBSIDIARY) AND TERNI'S RESPONSE SHOULD PROVIDE SIGNIFICANT INSIGHTS INTO THE OPERATIONS OF ITALY'S STATE ENTERPRISE SYSTEM IN RELATION TO ITS EXPORTS TO THE U.S. THIS MATERIAL SHOULD BE AVAILABLE AT U.S. CUSTOMS, TREASURY LIMITED OFFICIAL USE

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DEPARTMENT.

7. THE STATE ENTERPRISE SYSTEM IN ITALY IS EXTENSIVE AND COMPLEX. LATEST ISTAT SURVEY (1973) INDICATES THAT PUBLIC SECTOR STATE-OWNED OR CONTROLLED COMPANIES, MUNICIPALIZED AND OTHER LOCALLY CONTROLLED ENTERPRISES, THE AUTONOMOUS STATE ENTERPRISES (SUCH AS THE TOBACCO MONOPOLY, THE STATE RAILWAYS, ETC.) EMPLOYED 1,537,300 OR 14.1 PERCENT OF TOTAL WORK FORCE. THEIR SALES TOTALLED \$25.7 BILLION, WITH VALUED ADDED OF \$11.6 BILLION, REPRESENTING 14.7 PERCENT OF GROSS NATIONAL PRODUCT IN COMPARABLE ECONOMIC SECTORS; I.E. INDUSTRY, COMMERCE, AND TRANSPORT AND COMMUNICATIONS. (DATA FOR 1974 AND 1975, BASED ON GDP ACCOUNTING SYSTEM ARE EXPECTED TO BE AVAILABLE IN NEAR FUTURE). ISTAT SURVEY ALSO NOTED THAT PUBLIC ENTERPRISES HAD A PREDOMINANT ROLE IN THE PRODUCTION AND DISTRIBUTION OF ELECTRICITY, GAS AND WATER WITH THE PUBLIC SECTOR ACCOUNTING 88.6 PERCENT OF GROSS PRODUCT. OTHER IMPORTANT STATE-HELD SECTORS ARE TRANSPORTATION AND COMMUNICATIONS (49 PERCENT) THE METALLURGICAL SECTOR (55.2 PERCENT), THE MINING INDUSTRY (30.1 PERCENT) AND THE CONSTRUCTION OF TRANSPORTATION EQUIPMENT (29.1 PERCENT). IN OTHER AREAS OF ACTIVITY THE PUBLIC SECTOR PLAYS A LIMITED OR MARGINAL ROLE. THE FOLLOWING TABLE POINTS OUT THE EVOLVING ROLE OF THE PUBLIC SECTOR OVER THE YEARS 1971-1973 IN RELATION TO OVERALL PRODUCT, INVESTMENT, PERSONNEL EXPENSES AND EMPLOYMENT. IT INDICATES THAT, WHEREAS THE PUBLIC SECTOR'S SHARE OF GROSS PRODUCT HAS REMAINED RELATIVELY CONSTANT, THE FIXED INVESTMENT SHARE HAS SIGNIFICANTLY DECLINED IN 1973 AFTER A STEADILY UPWARD TREND IN THE PREVIOUS FOUR YEARS (NOT SHOWN)

INCIDENCE OF PUBLIC SECTOR WITH RESPECT TO NATIONAL TOTAL
(PERCENT)

	1971	1972	1973
GROSS PRODUCT	13.5	13.8	14.7
FIXED INVESTMENT	39.7	40.0	35.0
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PERSONNEL EXPENSES	21.6	22.6	23.2
EMPLOYMENT	12.5	13.2	14.1

8. ANALYSIS OF INFORMATION FROM ABOVE CITED SOURCES AND DATA SHOULD PROVIDE ADEQUATE BASIS FOR ANALYSIS OF ITALY'S STATE-HELD SYSTEM AND ITS EFFECTS ON TRADE AND INVESTMENT. NEVERTHELESS, EMBASSY STANDS READY TO ADDRESS SPECIFIC QUESTIONS WHICH MAY ARISE FROM ITC'S EFFORTS. FURTHER, EMBASSY WILL KEEP PROJECT IN MIND IN ITS FURTHER REPORTING ON STATE-HELD SYSTEM.
GARDNER

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: REPORTS, NATIONALIZATION, BUSINESS FIRMS
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Sent Date: 08-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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